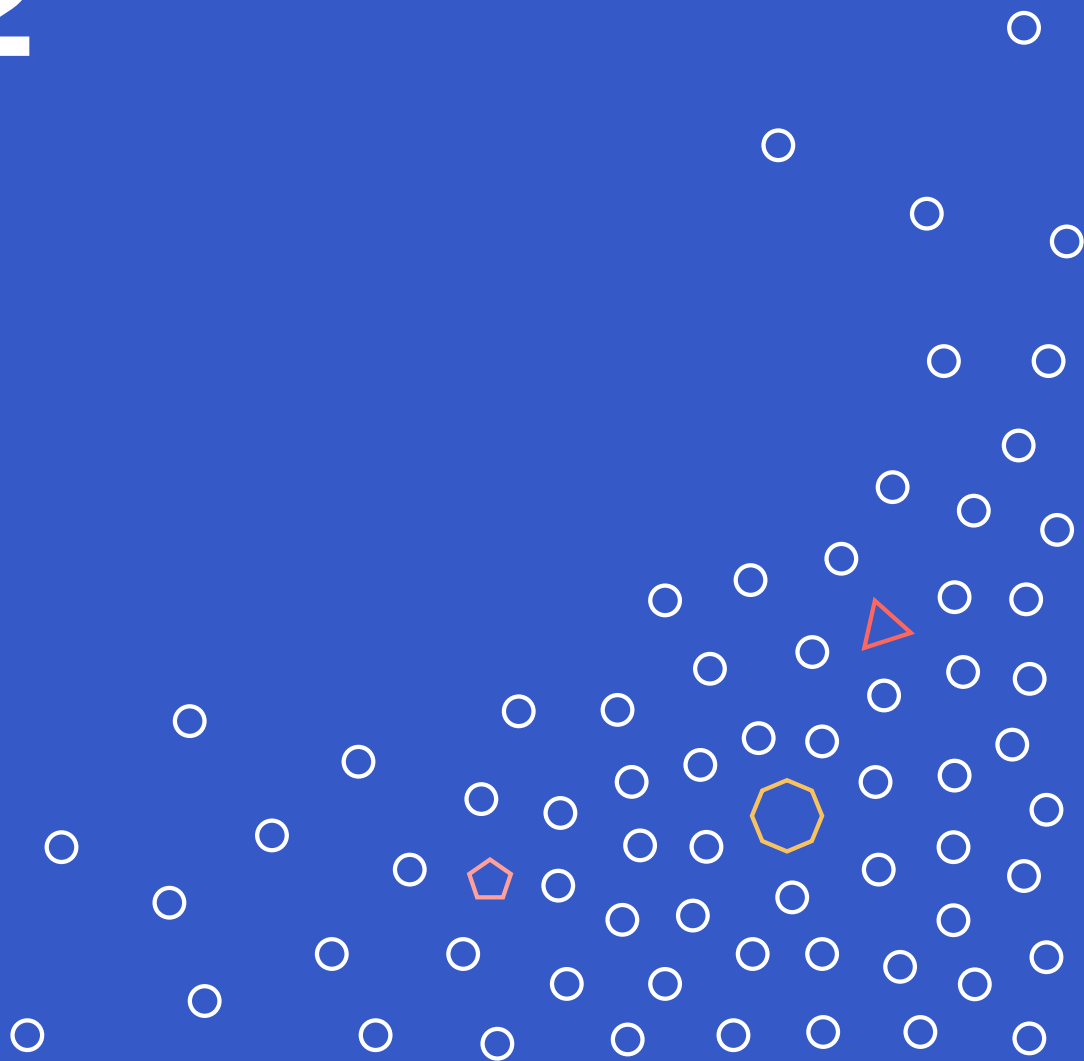


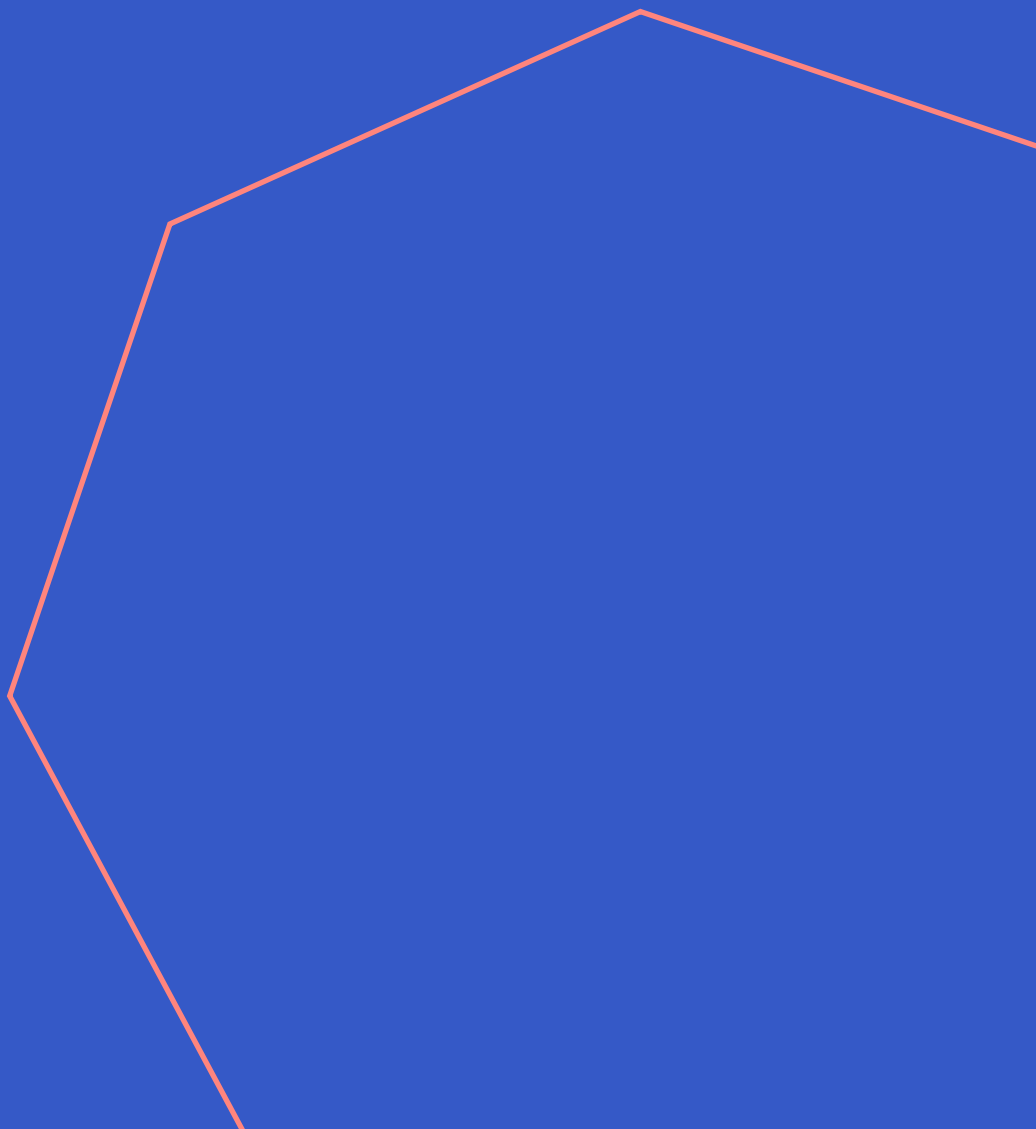


Annual Report

2022



Board of Directors' report





Overview

Mission

Nordhealth is dedicated to redefine healthcare by developing all-in-one, intuitive, and efficient software solutions that empower healthcare professionals to deliver exceptional care, enhance patient experiences, and thrive.

Business

Nordhealth acquires, manages, and builds SaaS practice management software (“PMS”) for over 50,000+ veterinary and therapy (such as, physiotherapy, psychotherapy, occupational and speech therapy) professionals across 13,000+ clinics and hospitals located in over 30 countries. The PMS is a mission-critical software, that includes an extensive array of features such as electronic medical records, outpatient and inpatient workflow management, customer relationship management, unified communication services (SMS, Email, Voice), marketing automation, appointment calendars, online booking, shift scheduling, task management, billing, inventory management, financial and operational reporting, and payments.

Strategy

Nordhealth’s strategic vision centers around developing one all-in-one, intuitive, and efficient cloud-based software solution tailored to each healthcare niche. Our flagship software products, Provet Cloud and EasyPractice, cater to veterinarians and therapists, respectively. These cloud-based, user-friendly, efficient, modular, and open solutions reflect our commitment to innovation and adaptability. Our open architecture approach facilitates seamless integration with third-party software and devices, including accounting software, imaging devices, in-clinic lab equipment, external diagnostic laboratories, wholesalers, insurance companies, financing providers, and government reporting databases. Furthermore, customers can customize and enhance our core products by building their own two-way integrations with their preferred applications, thanks to our well-documented REST API.

Driving Growth and Expansion

Nordhealth’s growth strategy encompasses organic expansion through new customer acquisition and upselling existing clients, as well as accelerated growth via strategic acquisitions of veterinary and therapy PMS products, PMS solutions in new healthcare niches, and add-on products to complement our current offerings. Our acquisition strategy aims to expedite entry into new geographies and facilitate seamless migration to our flagship products.

Commitment to Legacy Systems

We remain steadfast in our support for legacy systems acquired from other companies, ensuring a smooth transition for customers migrating to our flagship cloud-based solutions. This includes Sanimalis, Vetserve, Novasoft, Provet Net, Provet Win, Provet Pet, and Aspit.

Medium- and Long-Term Objectives

Our medium-term objective is to establish Nordhealth as a global leader in the veterinary and therapy SaaS sector by leveraging our proven dual strategy of organic growth and acquisition-led expansion. In the long term, we aspire to broaden our reach and impact by venturing into additional healthcare niches.

History

Nordhealth was originally founded in 2001 by Janne Huttunen. In 2005, the Company entered the Finnish veterinary PMS market with the acquisition of Provet Pet. From 2005 to 2009, the Company developed a cloud-based veterinary practice management software and migrated the majority of the Provet Pet users to the new Provet platform. The Company continue to gain market share and became the #1 veterinary PMS in Finland in 2007.

In 2009, the Company entered the Finnish therapy PMS market with the acquisition of Praktiikka. From 2009 to 2018, the Company developed a cloud-based veterinary practice management software. The Company continued to gain market share and became the #1 therapy PMS in Finland in 2018.

Starting in 2015, the Company began international expansion of its veterinary PMS, Provet Cloud, starting in Estonia in 2015, Sweden in 2016, UK in 2017, Italy and Spain in 2018, Norway in 2019 and US in 2020. We entered the Therapy market in Norway in 2021 by acquiring Aspit. In 2022 the Company continued international expansion by acquiring EasyPractice, a leading cloud-based practice management software provider for therapists and Vetera, a leading veterinary practice management software provider in the DACH region. As of 31 December 2022, we had acquired and integrated 9 software companies.

Nordhealth AS was incorporated on 6 April 2021 and consequently hasn't published any financial statements before 2021. However, Nordhealth AS is a holding company which owns 100% of the shares in Nordhealth Oy, the former parent company of the Group, incorporated on 14 January 2008. The Company became the new parent company of the Group following completion of the Pre-Admission Reorganisation, completed on 18 May 2021.

To accelerate our growth, in June 2021, Nordhealth raised 120 M€ through a private placement and subsequent listing of Nordhealth on Euronext Growth Oslo. The funding raised includes investments from high quality investors based in the US, Europe, and the Nordic region.

The funding will be used to improve four key areas: recruiting and retaining great talent, rethinking our design and development processes, to improve our products, investing in our local implementation and support teams to ensure we deliver great experiences at every touchpoint, and acquiring other software to accelerate our entry to new geographies or to grow our portfolio of add-on products.

Operational highlights

The total proforma ARR at the end of 2022 amounted to 31.8 (27.4) M€, resulting in a 16% growth. End of the year 2021 reported ARR amounted to 24.2 M€ and reported ARR growth in 2022 amounted to 31% of which organic growth was 14%. The Group continued to execute its strategy

of increasing ARR per share via organic growth and acquisitions, constantly evaluating the most financially reasonable strategy in each market. New customers acquisition increased our ARR by 12%, net retention rate was 104% and the churn rate was 3%.

Therapy

On 31 January 2022, Nordhealth completed the acquisition of EasyPractice, a leading cloud-based practice management software provider for therapists in Denmark. The acquisition helped Nordhealth in its strategy of increasing ARR per share via organic growth and acquisitions. The acquisition enabled Nordhealth to shut down its new therapy platform project that began in 2021 and focus its development efforts to make EasyPractice its flagship PMS for therapists. This decision will help Nordhealth accelerate its migration of therapy customers to one platform.

Veterinary

On 10 March 2022, Nordhealth announced the acquisition of Vetera, a leading veterinary practice management software provider in the DACH region. The acquisition was completed on 1 June 2022. Founded in 1989 and headquartered in Eltville am Rhein, Germany, Vetera has become a market-leading software and service provider for veterinarians with its comprehensive and fully integrated portfolio of practice management solutions. Vetera and its team of 30 employees serve more than 2,000 veterinary practices, clinics, and partners throughout Germany, Austria, and Switzerland. The acquisition helped Nordhealth gain a leading position in the German-speaking Practice Management Software market. Vetera continued to operate independently under the Vetera brand and was led by CEO Alexander Felber with the support of his management team.

In H2 2022, Nordhealth launched the CVS implementation of the Provet Cloud project. The aim is to finalize the pilot and start the rollout in 2023. In Q4 2022, Nordhealth announced the reorganization of the Provet Cloud country management structure to a functional structure. This move was aimed at streamlining operations and improving efficiency.

Organization

As a result of the shift in the strategic focus in the Therapy unit as well as the reorganization in the Veterinary unit, the company has restructured its operations in Finland and in Norway. This restructuring led to a reduction in headcount from 404 at the end of Q2 2022 to 377 as of Q1 2023. Expenses related to the restructuring amounted to EUR 527 thousand in 2022.

Consolidated Financial Results for the Group

The Accounting principles used in these consolidated financial statements are according to Norwegian GAAP. The Reporting currency is EUR. All numbers are presented in EUR thousands, unless otherwise stated. The figures in the tables have been rounded to the nearest thousand

euros, so they may not add up to precise totals. The numbers in brackets within text refer to the value in the corresponding period a year earlier, unless otherwise stated.

Total revenue grew by 53 (60) % in 2022 and amounted to EUR 31,050 (20,300) thousand. The share of recurring revenue of the total revenue in 2022 was 91 (91) % amounting to EUR 28,216 (18,464) thousand resulting in 53 (72) % growth. Organic recurring revenue grew by 38 (22) %.

Total personnel costs in 2022 amounted to 72 (50) % of revenues. The increase is due to active recruitment activities in line with the growth strategy. Other operating charges amounted to 33 (34) % of total revenues.

Reported EBITDA amounted to EUR -5,975 (-222) thousand in 2022. Non-recurring items amounted to EUR 527 (2,116) thousand and relate mainly to organizational restructuring in 2022 and to IPO and M&A activities in 2021.

Net financial items in 2022 totaled EUR 549 (-188) thousand comprising mainly of foreign currency and money market fund revaluations.

Total non-current assets amounted to EUR 70,342 (49,210) thousand at the end of December 2022. The change is driven by the increase in goodwill, resulting from EasyPractice (Q1/2022) and Vetera (Q2/2022) acquisitions.

Total intangible assets amounted to EUR 68,710 (48,254) thousand at the end of the period. In addition to goodwill, intangible assets mainly consist of capitalized product development costs. Ongoing development activities focus on adding new features to existing products as well as on the localization of the products for new market entry.

Total current assets amounted to EUR 44,552 (75,918) thousand at the end of December 2022.

Cash and cash equivalents amounted to EUR 15,514 (26,210) thousand. The company has EUR 23,684 (46,458) thousand of cash in fully liquid money market funds convertible into cash within one banking day. The combined value of money market fund holdings and cash amounted to EUR 39,198 (72,668) thousand at the end of the reporting period.

Net cash flow from operating activities amounted to EUR -6,458 (5,567) thousand and was mainly impacted by investments made in growth markets and product development. Net cash flow from investing activities amounted to EUR -2,089 (-92,140) and net cash flow from financing activities amounted to EUR -2,082 (109,015) million.

Total equity at the end of December 2022 amounted to EUR 98,630 (114,506) thousand. On 25 May 2021, the Company resolved to complete a private placement, consisting of a share capital increase for a total amount of approximately NOK 1,224 million, by issuing 30,000,000 Shares with a par value of NOK 1 each at a subscription price of the NOK equivalent of EUR 4 per Share. Costs of EUR 3,472 thousand relating directly to the equity increase, were booked within equity.

Financial results for Nordhealth AS

Nordhealth AS was incorporated on 6 April 2021. The financial statements of Nordhealth AS are prepared in compliance with the Norwegian accounting act and generally accepted accounting principles in Norway. The Reporting currency is NOK, and all numbers are presented in NOK thousands unless otherwise stated.

Nordhealth AS does not have any revenues or employees. As of 2022 Nordhealth AS has paid board remuneration fees for external board members. Operating costs for 2022 amounted to NOK 10,006 (15,650) thousand and net financial items totalled NOK 270 (-7,517) thousand. Non-recurring items relating to the IPO and group reorganization amounted to NOK 10,129 thousand in 2021. Net loss for the year was NOK 9,736 (23,167) thousand.

In 2022 cash flow from operations was NOK -1,541 (-8,407) thousand. At the end of 2022 cash and cash equivalents amounted to NOK 1,477 (3,018) thousand.

At the end of 2022 total assets amounted to NOK 3,170,578 (3,179,938) thousand consisting mainly of shares in subsidiaries. Total equity amounted to NOK 3,167,616 (3,171,910) thousand. The Company has no long-term liabilities.

Dividend payment

On 31 December 2022 the parent company's distributable funds totalled NOK 3,087,424 thousand. The Board of Directors proposes to the Annual General Meeting that no ordinary dividends be distributed for the financial year 2022.

Going Concern

In accordance with the Norwegian Accounting Act, the Board of Directors confirms that the annual accounts have been prepared in accordance with the going concern assumption. The confirmation is based on an estimated long-term profitable growth and Group's equity standing and strong cash position.

Research and development

The Group focuses heavily on developing its cloud-based flagship products. The acquisition of EasyPractice enables Nordhealth to focus its development efforts to make EasyPractice its flagship PMS for therapists and continues to develop Provet Cloud for veterinarians. Building customisable products enables the Group's ability to expand internationally. Maintaining current market leader position and to serve future demands requires the Group to deliver new technology and/or make the necessary updates to existing products. Failure to do so could result in both loss of existing customers and failure to attract new ones. In 2022, development expenses totalling EUR 5,865 (3,035) thousand have been capitalized and EUR 7,349 (3,223) thousand have been recorded as an expense.

Impact on external environment

As a software company the Group's operations do not directly have any negative effect on the environment. Wherever possible, the Group chooses renewable energy sources in their operations. The Group's remote-first model reduces carbon footprint and effective collaboration tools reduce unnecessary physical travel.

The Norwegian Transparency Act

The Company is dedicated to ensuring that basic human rights and decent working conditions of everyone connected to its business are respected. The company will publish a full report on the company web-pages at nordhealth.com by 30 June 2023.

Headcount and personnel expenses

People and their well-being are at the core of all activities. Responsibility is reflected in Nordhealth's operations in the everyday lives of employees. These include securing our employer's promises and employee benefits. Nordhealth as an employer emphasizes opportunities for professional progression, and a work-life balance in an inclusive culture. The Group's remote-first model is an opportunity to work from anywhere. This can only be achieved by ensuring that the general principles used when recruiting and onboarding strengthen equality and inclusion – without interfering with the background, nationality, gender or age of the staff.

Nordhealth had 398 (251) employees at the end of 2022. Employees represent more than 35 different nationalities in over 20 countries of all ages. Employee turnover in 2022 was 19.9 (12.9)%. No accidents or injuries occurred during the year. As at the end of 2022, members of the management team consisted of three males and two females. The Board of Directors consisted of four males.

	Group 2022	Group 2021
Average number of employees	371	189

Personnel by country 31.12.2022	2022	2021
Norway	87	78
Finland	183	128
Other Nordic countries	42	16
Other countries	86	29
Total	398	251

Board of Directors

The Board of Directors during 2022 consists of a Chairperson and three Board Members:

Name	Role	Served since	Term-expires
Didier Breton	Chairperson	2021	2023
Janne Huttunen	Board Member	2021	2023
Olli Venemies	Board Member	2021	2023
Javier Mata	Board Member	2021	2023

The liabilities of the Company's Board of Directors and the Group's key management is covered by a Directors and Officers (D&O) insurance policy.

Shares and shareholders

On 6 April 2022, it was resolved by the Board of Directors to increase share capital by NOK 191,747 divided into 191,747 Class A shares, each with nominal value of NOK 1.00. As at 31 December 2022 the Nordhealth AS had a total of 80,191,746 shares outstanding. The Company's shares are divided into two share classes as further detailed below. Only the A-shares are subject to trading in the Euronext Growth Marketplace.

A-shares comprise a total of 45,191,747 shares and carry one vote and equal rights in all respects, including rights to dividends. All A-shares are freely transferable. B-shares comprise a total of 34,999,999 shares and are unlisted shares. Each B-share carries 10 votes per share and may at any time, at the option of the holder, be converted into an A-share. If the Unlisted Shares constitute less than 5% of the outstanding number of shares in the Company, they will automatically be converted to A-shares.

On 2 June 2022, Annual General Meeting of Nordhealth AS granted the Board of Directors an authorisation to increase the share capital by issuance of new shares and an authorisation to acquire own shares. In accordance with Section 9-4 of the Companies Act, the board is granted an authorisation to acquire own shares on behalf of the Company with a total nominal value of up to NOK 8,019,174.60 i.e., up to 8,019,174 shares by issuance of new shares and to acquire treasury shares for an amount of up to NOK 12,028,761.90 i.e., up to 12,028,761 shares. The maximum amount which can be paid for each share is NOK 50 and the minimum is NOK 1. The authorisations replaced the previous authorisations issued at the EGM held on 17 February 2022.

TOP 10 shareholders on 31 December 2022

Investor	A-shares	B-shares	Number of total shares	% of total	Type	Country
J.P. Morgan SE	4 956 027	29 742 998	34 699 025	43 %	Nominee	Luxembourg
State Street Bank and Trust Comp	6 479 310	0	6 479 310	8 %	Nominee	US
Nordnet Bank AB	965 321	5 084 866	6 050 187	8 %	Nominee	Sweden
FJARDE AP-FONDEN	3 500 000	0	3 500 000	4 %	Ordinary	Luxembourg
Goldman Sachs & Co. LLC	3 343 148	0	3 343 148	4 %	Nominee	US
GOLDMAN SACHS BANK EUROPE SE	3 290 000	0	3 290 000	4 %	Nominee	Germany
SKANDINAVISKA ENSKILDA BANKEN AB	1 918 539	0	1 918 539	2 %	Nominee	Luxembourg
Avanza Bank AB	1 813 287	0	1 813 287	2 %	Nominee	Sweden
Skandinaviska Enskilda Banken AB	1 588 236	0	1 588 236	2 %	Nominee	Luxembourg
Morgan Stanley & Co. Int. Plc.	1 485 717	0	1 485 717	2 %	Nominee	UK
Total number owned by top 10	29 339 58	34 827 864	64 167 449	80 %		
Total number of shares	45 191 747	34 999 999	80 191 746	100 %		

Risks

Operational risks

Although most of the Group's contracts with customers for use of the Group's Software-as-a-Service ("SaaS") services are automatically renewed, the Group is still dependent on retaining existing contracts and obtaining new contracts on acceptable terms, to maintain and/or increase its revenues. If the Group fails in retaining existing customers and attracting new customers, it could have a material adverse effect on its results of operations, cash flow, financial condition and/or prospects.

The effectiveness of the Group's software platform is highly dependent on valuable partnerships with respect to IT-applications used by the Group and integration with necessary software, especially integration with various systems utilised by the Group's customers and partners. Although the Group has successfully entered into valuable partnerships and integrated their technology with third party suppliers, any changes in such third-party systems may result in the Group's technology being incompatible with such system and in turn may have a material adverse effect on the Group's results of operations, financial condition and/or prospects.

The Group is handling data within the healthcare sector and other sectors that may be linked to individual persons, which by its nature is highly sensitive. The Group is liable to its customers, regulatory authorities, and the individuals whose personal data is handled for damages caused by unauthorized use or disclosure of personal data as well as sensitive and confidential information. Unauthorized disclosure of any such information may result in significant fines and may damage the Group's brand and/or reputation and may lead to customer attempting to cancel existing agreements with the Group. These factors may in turn have an adverse effect on the Group's ability to attract and retain customers and partners and in turn adversely affect the Group's business, cash flow, operating results, and financial position.

The Group's business requires specialized and skilled personnel. There is a risk that the Group will be unable to keep enough appropriate key executives, key employees, and qualified new employees to effectively manage the business. There can be no assurance that the Group will be successful in retaining its key executives, key employees and qualified employees or replace such personnel with corresponding qualifications. If the Group fails to do so, it could have a material adverse effect on the Group's business, prospects, financial results and/or results of operations.

Financial risks

The Group cannot assure that it will be able to obtain any additional financing or retain or renew current financing upon expiry on terms that are acceptable, or at all. If funding is insufficient at any time in the future, the Group may be unable to execute its business strategy or take advantage of business opportunities, any of which could adversely impact the Group's business, results of operations, cash flows and financial condition.

The Group is dependent on having access to long-term funding and may in the future require additional funding in the form of either debt or equity to successfully execute its strategy and to finance further growth. There can be no assurance that the Group will be able to raise additional capital necessary to conduct its ongoing and future operations, at the required time or on acceptable terms and there can be no assurance that the Group will not experience net cash flow shortfalls exceeding the Group's available funding sources. If required funds are not available, this could have a material adverse effect on the Group's business, financial condition, and prospects.

Mergers and acquisitions

As part of the Group's growth strategy, the Group considers the acquisition of other companies to expand the Group's existing business and create economic value. The Group cannot assure that it will be able to consummate any such transactions or that any future acquisitions will be consummated at acceptable prices and terms.

The Group continually evaluates potential acquisition opportunities in the ordinary course of business, including those that could be material in size and scope. Acquisitions involve a number of special risks, including (i) the diversion of management's attention and resources to the assimilation of the acquired companies and their employees and to the management of expanding operations, (ii) problems associated with maintaining relationships with employees of acquired businesses, (iii) the increasing demands on the Group's operational systems and technical capabilities, (iv) ability to integrate and implement effective disclosure controls

and procedures and internal controls for financial reporting within allowable time frames, (v) risks associated with the ability to fund expected and unexpected capital costs and expenses associated with any acquired entity/assets and (vi) the loss of key employees of acquired entities/assets.

The Group may also become responsible for unexpected liabilities that the Group failed or was unable to discover in the course of performing due diligence in connection with historical acquisitions and any future acquisitions and indemnification rights which have been obtained, or will in the future be obtained, may not be enforceable, collectible or sufficient in amount, scope or duration to fully offset the possible liabilities associated with the assets acquired. Any of these liabilities, individually or in the aggregate, would, if materialized, have a material adverse effect on the Group's businesses, products, prospects, financial condition and results of operations.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to exchange rate fluctuations. Exposure to currency risks arises primarily when receivables and payables are denominated in a currency other than the operating company's local currency. In addition, the Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures on translation, primarily with respect to fluctuations in the EUR/NOK, EUR/SEK, and EUR/USD exchange rate. The Group manages its currency risk by closely monitoring the currency fluctuations and does not hedge its currency risk.

Credit risk

The Group has a significant amount of trade receivables and will be dependent on being able to collect such receivables. Consequently, the Group may be exposed to financial loss if a customer or counterparty fails to meet its contractual obligations. To the extent payment is done by payment letter or credit or otherwise given, the Group is vulnerable to credit risk and any failure by its counterparties to meet their obligations may affect the Group's income. Failure to collect its trade receivables or customers' unwillingness or inability to pay could have a material impact on the Group's business and financial condition.

With a wide customer base, credit risk from a single counterparty is limited.

Dividend policy

The Company currently intends to retain future earnings to finance the growth and development of its business. The Company's dividend policy will be reviewed from time to time and payment of any future dividends will be effective after the Shareholders approval as recommended by the Board of Directors of the Company after considering various factors including the Group's business prospects, cash requirements, financial performance, new product development, plans for international expansion and the legal restrictions. If the Company declares any dividends, the same dividend per share will be paid on the Shares and the Unlisted Shares.

Significant events after the reporting period

There have been no significant events after the reporting period.

Guidance for 2023

The management estimates a 15-20% growth in recurring revenue in 2023 from 2022, leading to a recurring revenue estimate of EUR 32,4 - 33,9 million in 2023.

The Board of Directors of Nordhealth AS, Oslo 13 April 2023

Charles MacBain
CEO

Didier Breton
Chairman of the Board

Olli Venemies
Board Member

Janne Huttunen
Board Member

Javier Mata
Board Member

Consolidated Financial Statements



Consolidated Income Statement

EUR in thousands	Note	2022	2021
Recurring revenue	4	28 216	18 464
Other revenue		2 833	1 836
Total revenue		31 050	20 300
Other operating income		229	31
Total operating income		31 279	20 331
Material and services		(4 780)	(3 562)
Personnel expenses	5	(22 255)	(10 073)
Other operating charges	6	(10 218)	(6 918)
Total operating expenses		(37 254)	(20 553)
Operating profit (loss) (EBITDA)		(5 975)	(222)
Depreciation and amortization	9	(2 236)	(1 305)
Amortization of goodwill	9	(6 467)	(2 931)
Total depreciation and amortization		(8 702)	(4 236)
Operating profit (EBIT)		(14 677)	(4 458)
Other interest and financial income	8	2 082	758
Interest expenses	8	(17)	(41)
Other financial expenses	8	(1 517)	(905)
Total financial income and expenses		549	(188)
Profit (loss) before tax		(14 128)	(4 646)
Taxes	7	(136)	(85)
Net profit (loss)	15	(14 264)	(4 731)

Consolidated Balance Sheet

EUR in thousands	Note	2022	2021
ASSETS			
Intangible assets			
Intangible assets	9	10 280	4 556
Deferred tax assets	7	585	628
Other capitalized long-term expenses	9	32	68
Goodwill	9	57 813	43 002
Total intangible assets		68 710	48 254
Tangible assets			
Machinery and Equipment	9	733	765
Total tangible assets		733	765
Financial assets			
Other shares and similar rights of ownership	9	834	191
Other long-term receivables		64	-
Total financial assets		899	191
Total non-current assets		70 342	49 210
Accounts receivable and accrued income	10	4 035	2 433
Loan receivables, short-term		-	49
Other receivables		526	118
Prepayments	11	793	650
Total receivables		5 354	3 250
Money market funds	12	23 684	46 458
Total investments		23 684	46 458
Cash and cash equivalents	12	15 514	26 210
Total cash and cash equivalents		15 514	26 210
Total current assets		44 552	75 918
Total assets		114 895	125 127

Equity and liabilities

EUR in thousands	Note	2022	2021
Paid-in equity			
Share Capital	15	7 848	7 829
Share premium reserve	15	109 400	108 886
Total paid-in equity		117 248	116 715
Retained earnings			
Other equity	15	(18 618)	(2 209)
Total retained earnings		(18 618)	(2 209)
Total equity		98 630	114 506
Non-current liabilities			
Non-current liabilities to credit institutions		-	25
Other non-current liabilities	16	270	751
Total non-current liabilities		270	775
Current liabilities			
Current liabilities to credit institutions		25	25
Advances received		4 518	3 806
Accounts payable		878	1 055
Other current liabilities	17	5 833	1 662
Accrued expenses and deferred income		4 740	3 298
Total current liabilities		15 995	9 846
Total equity and liabilities		114 895	125 127

The Board of Directors of Nordhealth AS, Oslo 13 April 2023

Charles MacBain
CEO

Didier Breton
Chairman of the Board

Olli Venemies
Board Member

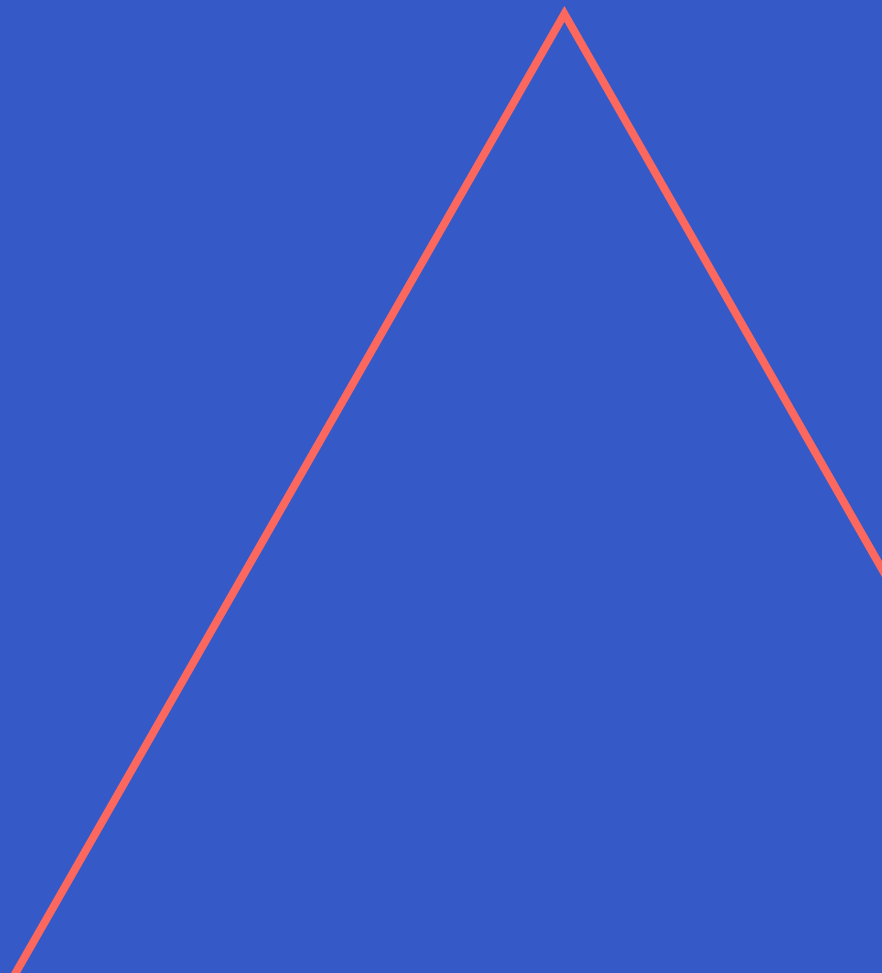
Janne Huttunen
Board Member

Javier Mata
Board Member

Consolidated Cash Flow Statement

EUR in thousands	2022	2021
Cash flow from operations		
Profit (loss) before income taxes	(14 128)	(4 646)
Taxes paid for the period	(153)	(36)
Other non-cash items	969	905
Depreciation and amortization	8 702	4 236
Change in inventory	-	-
Change in trade debtors	(832)	(1 281)
Change in trade creditors	(242)	577
Change in other accruals	(841)	5 812
Net cash flow from operations	(6 525)	5 567
Cash flow from investments		
Investments in tangible and intangible assets	(6 802)	(3 377)
Disposal (purchase) of shares and investments, net of acquired cash	(17 786)	(42 246)
Disposal (purchase) of other investments	-	(2)
Proceeds from / (investments in) money market funds	22 500	(46 515)
Net cash flow from investments	(2 089)	(92 140)
Cash flow from financing		
Change in debt	(2 082)	(3 583)
Issuance of Equity	-	116 329
Payment of dividend	-	(3 731)
Net cash flow from financing	(2 082)	109 015
Net change in cash and cash equivalents	(10 696)	22 442
Cash and cash equivalents at the beginning of the period	26 210	3 768
Cash and cash equivalents at the end of the period	15 514	26 210
Money market fund	23 684	46 458

Notes to the Consolidated Financial Statements



1. Reporting entity

Nordhealth AS (the “Company” and, together with its consolidated subsidiaries, the “Group” or “Nordhealth”) is a public limited company registered in Norway and traded on the Euronext Growth Oslo. The Company’s registered business address is Strandveien 50, 1366 Lysaker, Oslo, Norway.

Nordhealth AS was incorporated on 6 April 2021 and issued its first financial statements for the year ended 31 December 2021. The Company is a holding company which owns 100% of the shares in Nordhealth Oy, the former parent company of the Group, incorporated on 14 January 2008. The Company became the new parent company of the Group following completion of the Pre-Admission Reorganisation, completed on 18 May 2021. The consolidated financial statements for 2021 were prepared for the accounting period of 12 months from January 1 to December 31.

These consolidated financial statements were authorized for issue by the Board of Directors of Nordhealth AS on 13 April 2023. A copy of the consolidated financial statements is available on the company’s investor site at <https://nordhealth.com/investor>.

2. Basis of presentation

The 2022 consolidated financial statements of Nordhealth AS and its subsidiaries are prepared in compliance with the Norwegian accounting act and generally accepted accounting principles in Norway.

The presentation currency of Nordhealth Group is euro (EUR). Nordhealth Group financial statements are presented in thousands of EUR. Nordhealth Group uses EUR as the presentation currency for the consolidated financial statements as this currency is used to analyze Group’s KPI’s and make operational decisions. Nordhealth operates in a global market, in terms of customers, employees, and investors so therefore EUR as the presentation currency can be seen more useful to Group’s stakeholders.

Individual figures and total sums have been rounded for presentation purposes, which may result in rounding errors in the calculated sum amounts presented. Key figures have been calculated using exact figures. The numbers in brackets within text refer to the value in the corresponding period a year earlier, unless otherwise stated.

3. Accounting principles

Consolidation principles

The consolidated financial statements comprise the parent company Nordhealth AS and companies in which the Group has control directly or indirectly. Subsidiaries are consolidated from the date on which control is transferred to Nordhealth and consolidated up to their date of their disposal. Intercompany transactions, receivables, liabilities, and unrealized margins, as well as distribution of profits within Group, are eliminated on consolidation. Shares in subsidiaries are eliminated in the consolidated financial statements against the acquired equity of the subsidiary. The acquisition cost of a subsidiary is allocated to identifiable assets and liabilities. Excess value that cannot be attributed to specific assets or liabilities is classified as goodwill and amortized over expected useful life.

Currency Translation

The income statements of group companies have been converted to euros by using the monthly average exchange rate for the financial period. In equity, share capital and other paid in equity are converted at acquisition date rates and other equity has been converted at historical rate. Other balance sheet lines have been converted by using the official European Central Bank rates at the end of the financial period.

Transaction risk

The sales revenue and, respectively, purchases of Group companies are mainly generated in the local currency. Transaction risk arises from transactions and payments in currencies other than the unit's functional currency, and when the related cash inflows and outflows differ in amount or timing. Transactions in foreign currencies are translated into the companies' functional currencies at the rate of exchange prevailing at the date of the transaction. Exchange rate gains and losses from operations are included in financial income and expenses in the statement of income.

Translation risk or equity-related exchange rate risk

The Group incurs translation risk when the equity of foreign Group companies is denominated in a currency other than the acquiring company's functional currency. In addition, the Group incurs translation risk from converting items related to goodwill or purchase price allocations denominated in a currency other than the acquiring company's functional currency into the acquiring company's functional currency.

Translation differences from exchange rate differences resulting from the translation of the financial period's result into the financial period's average exchange rate and the translation

of the balance sheet items to the closing rate are recognized in equity. Cumulative translation differences related to foreign currency subsidiaries are transferred to profit or loss when the foreign currency subsidiary is divested.

Cost of issuing equity

Material transaction costs directly related to an equity transaction are recorded as a deduction from other paid-in equity. This applies to issuance of shares and results as an increase or decrease of equity.

Cash flow statement

The cash flow statement has been prepared following the indirect method. Cash and cash equivalents include cash, bank deposits, and other short-term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.

Use of estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the measurement of the reported assets and liabilities and other information, such as contingent assets and liabilities and the recognition of income and expenses in the consolidated statement of income.

The estimates are based on prior experience and assumptions concerning the future deemed most likely on the balance sheet date, related to factors such as the expected development in the Group's financial operating environment with regards to sales and cost levels. The Group regularly monitors the accuracy of the estimates and assumptions and changes in their supporting factors together with its business units, using several internal and external data sources. Any changes in the estimates and assumptions are entered in accounting in the period during which the estimates and assumptions are adjusted, as well as in all subsequent periods. Although these estimates and assumptions are based on the management's best knowledge of current events and actions, actual results may differ from the estimates used in the preparation of financial statements.

Management judgment is also needed in the application of accounting standards in which alternative recognition, measurement or disclosure methods exist under the current accounting standards.

The most significant management judgements relate to assumptions used in the following:

- **Goodwill** – Note 9. Projected cash flows used in impairment calculations are based on management estimates
- **Deferred tax assets** – Note 7. Management estimates the amount of deferred tax assets and the probability of utilization on each balance sheet date.
- **Capitalized development expenses** – Note 9. Management estimates the future benefit the capitalized assets will create, the value of these assets and how many years a product or technology will generate benefit for.

Classification of assets and liabilities

Non-current assets consist of tangible and intangible assets and financial assets which mature in more than 12 months. Current financial assets include trade receivables and other receivables and other financial assets which mature in less than 12 months.

Financial liabilities are classified as non-current liabilities if they mature in more than 12 months. Liabilities maturing in less than 12 months are classified as current.

Valuation of financial assets and liabilities

At initial recognition financial assets and liabilities are measured at cost. Permanent changes in fair value of financial assets and liabilities are recognised through profit or loss. Investment in money market fund is measured at the lower of fair value and acquisition cost with changes in fair value recognised in profit or loss

Revenue recognition

Majority of Groups revenue is recurring revenue where the software is taken into use at the customers, and the customer has the right to use the software according to the license agreement. Customers are charged a base fee per user per billing period or a percentage of revenue for the core features and can purchase additional modules through an additional subscription price or a transaction fee based on usage. Invoices are generated on annual, semi-annual, quarterly, or monthly on an upfront basis and revenue is carried over to the subscription period. Recurring revenue totalled to 91 (91) % of Group's revenue in 2022.

Group also offers additional services related to implementation of the SaaS systems, including consultancy services, education, and data conversion. Revenue from services is recognized as income during the financial period during which the services are rendered.

The Group's revenues consist primarily of revenues related to Software-as-a-Solution services. Revenue is recognized on a straight-line basis over the lifetime of the underlying agreement.

Development expenses capitalization

Development expenses capitalized are mainly software development costs. Software development costs are capitalized when it is probable that future economic benefits attributable to the software will flow to the entity through revenue generation and / or cost reduction. Development costs include external direct costs for services and internal labor related costs directly and indirectly involved in the development of the software. Capitalized software development costs are amortized on a straight-line basis over three to ten years, during which the benefits are expected to be realized.

Expenses related to research activities are expensed as they occur.

Goodwill

Group goodwill arises from business acquisition and value is based on the excess value of the acquisition cost compared to acquiree's identifiable fair value of net assets at the time of the acquisition. Goodwill is recorded in the functional currency of the acquired entity and therefore subject to conversion difference if the functional currency in the subsidiary is not EUR.

Taxes

Tax expenses in the consolidated income statement comprise of tax based on taxable income together with changes in deferred taxes. The taxes based on the taxable income for the period are calculated according to the effective tax rates in each country.

Deferred taxes are calculated on all temporary differences between the carrying amount and tax value. Temporary differences arise from sources such as fair value measurement of financial assets, differences between taxable values and carrying amounts on fixed assets, and the capitalization of intangible rights recognized in connection with business acquisitions. Deferred tax is not recognized for non-deductible impairment of goodwill or undistributed earnings of subsidiaries to the extent that it is probable that the difference will not be realized in the foreseeable future. Deferred taxes have been calculated using the tax rates enacted or tax rates of which confirmed content has been published by the closing date. Deferred tax assets are recognized for tax losses carried forward and other temporary differences to the extent that corresponding taxable profits are likely to be generated in the future periods. Management estimates the amount of deferred tax assets and the probability of utilization on each balance sheet date. Deferred tax assets and liabilities are offset if the entity has a legally enforceable right to offset the tax assets and liabilities based on the period's taxable income, and the deferred tax assets and liabilities relate to income taxes within the same tax jurisdiction. Deferred tax assets and liabilities are presented on the balance sheet as separate items included in non-current assets or liabilities.

Government grants

The Group recognises government grants only when there is reasonable assurance that the entity will comply with the conditions attached to them and the grants will be received. Government grants are recognised in profit or loss in the corresponding line item to which the underlying expense relates to. In the case of grants related to assets they are deducted from the carrying amount of the asset. Government grants are recognised on a systematic basis over the periods in which the related costs for which the grants are intended to compensate are recognised. A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised in profit or loss of the period in which it becomes receivable.

In 2022 Nordhealth Finland Oy received a government grant from the Centre for Economic Development, Transport and the Environment (ELY Center) related to the development and commercialisation of the Nordhealth Design System amounting to EUR 158 thousand.

4. Operating segments

Revenue by operating segment

	2022	%	2021	%
Veterinary	15 467	50 %	11 631	57 %
Therapy	15 582	50 %	8 669	43 %
Total	31 050	100 %	20 300	100 %

Revenue by geographical areas

	2022	%	2021	%
Norway	13 569	44 %	9 186	45 %
Finland	6 825	22 %	5 882	29 %
Sweden	3 659	12 %	3 448	17 %
Denmark	3 119	10 %	839	4 %
Germany	1 949	6 %	3	0 %
Other Countries	1 929	6 %	942	9 %
Total	31 050	100 %	20 300	100 %

5. Personnel and remuneration

Personnel expenses

	2022	2021
Salaries	17 772	7 951
Pensions	2 547	1 245
Social security expenses	1 936	877
Total	22 255	10 073

Average numbers of employees in 2022 was 371.

In 2022, personnel expenses totalling EUR 3,886 (2,516) thousand have been capitalized as development cost.

Personnel expenses in 2022 include EUR 511 thousand of non-recurring costs relating to organizational restructuring.

Nordhealth operates various employee benefit plans in the countries it has a presence. The pension benefits provided by Nordhealth to its employees are organized through defined contribution plans. Under defined contribution plans, contributions are recorded as an expense in the accounting period in which they are paid.

The Group's pensions are handled by external pension insurance companies. The most significant defined contribution pension plan is the statutory Finnish employee pension scheme (Finnish Statutory Employment Pension Scheme "TyEL"), according to which the benefits are directly linked to the beneficiary's earnings. TyEL is arranged through pension insurance companies.

CEO's salaries and benefits

	2022	2021
Salaries	148	77
Bonus	15	150
Pension	50	23
Other*	-	75
Total	213	325

*Until H1/2021, CEO's salaries were invoiced through management fee.

CEO bonuses are based on the Group's operational and financial KPIs approved by the board of directors on an annual basis. There are no share-based arrangements, existing loan agreements, provision of financial guarantees or any other agreements in place that would give rise to any additional liability or payments in the form of severance pay or in any other way.

In 2022 the Board members employed by Nordhealth Group did not receive additional fees for their contribution as Board members. Board remuneration to external board members amounted to EUR 211 (-) thousand in 2022. External board members were paid fees for their services as advisors in the 2021 IPO amounting to EUR 200 thousand. There are no share-based arrangements or any other agreements in place that would give rise to any additional liability or payments to the external Board members nor are there any loans granted or guarantees given to the Board members.

6. Other operating expenses

	2022	2021
Other voluntary personnel expenses	778	351
Premises	945	709
IT expenses	1 894	963
Travel expenses	663	187
Marketing expenses	1 818	408
Outsourced services*	1 828	-
Administrative expenses	1 890	3 634
Other operative costs	403	666
Total	10 218	6 918

*) Expenses reported within outsourced services have been reported under Material and services costs in 2021.

Other operating expenses in 2022 include EUR 16 thousand of non-recurring costs.

In 2021, other operative costs include EUR 465 thousand of transfer tax from the share for share exchange.

Auditing services

	2022	2021
Audit	166	77
Technical accounting and tax counseling	28	32
Other services	45	33
Total	199	142

Amounts excluding VAT.

Related parties

The Group's related parties are considered to include the members of Nordhealth AS Board of Directors, the CEO, and other members of the Group Management Team, as well as the family members of the above-mentioned individuals. All transactions with related parties are based on an arm's length principle. External board members' remuneration amounted to EUR 211 (-) thousand in 2022 and fees for their services as advisors in the 2021 IPO amounted to EUR 200 thousand.

7. Income tax expense

Payable tax	2022	2021
Profit (loss) before taxes	(14 128)	(4 646)
Permanent differences	398	(4 365)
Change in temporary differences	(15)	(36)
The year's tax base	(13 745)	(9 048)
Payable (receivable) tax	(3 024)	(1 990)
Total tax payable (receivable)	(3 024)	(1 990)
Temporary differences		
Tangible fixed assets	(228)	(237)
Receivables	(118)	(127)
Other current liabilities	-	33
Total temporary differences	(346)	(331)
Tax losses carried forward	(23 602)	(8 003)
Not included in deferred tax base		
Total	(23 948)	(8 334)
Calculated deferred tax/(deferred tax benefit)	(5 037)	(1 772)
Of which deferred tax asset recognized	585	628
Of which deferred tax asset that is not recognized	5 006	1 727
Deferred tax/(deferred tax benefit)	585	628
Explanation of this year's tax expense		
Change in deferred tax	(17)	48
Prior period adjustment	7	6
Tax on the profit for the financial period	146	30
This year's tax expense	136	85
Specification of income tax		
Profit (loss) before taxes	(14 128)	(4 646)
Taxes based on the current tax rate in Norway, 22 %	3 108	1 022
Different tax rates of foreign subsidiaries	(124)	28
Permanent differences and other differences	88	(960)
Temporary differences	(76)	(73)
Taxes for previous financial periods	(7)	(6)
Unrecognized deferred tax assets	(1 938)	-
Utilization of previously unrecognized tax losses	365	144
Non-deductible goodwill amortization	(1 419)	-
Other items	140	(69)
Calculated income tax expense	136	85

Losses carried forward

Entity	Country	Tax loss carried forward	Tax rate	Deferred tax benefit not capitalized
Nordhealth Denmark AS	Denmark	(407)	22 %	(89)
Aspit AS	Norway	(5 377)	22 %	(629)
Aspit Sverige AB	Sweden	(10)	20.6 %	(2)
Nordhealth AS	Norway	(6 040)	22 %	(1 329)
Nordhealth Oy	Finland	(1 445)	20 %	(289)
Nordhealth Finland Oy	Finland	(10 021)	20 %	(2 004)
Nordhealth Sweden AB	Sweden	(164)	20.6 %	(34)
Nordhealth Norway AS	Norway	(139)	22%	-
Nordhealth Germany GmbH	Germany	(1)	16 %	(0)
Total		(23 602)		(4 376)

The Group has not recognized any deferred tax assets based on the 2022 or 2021 result because the utilization of the losses was uncertain at the time of preparing the financial statements.

8. Financial items

	2022	2021
Exchange rate gains	2 082	758
Total financial income	2 082	758
Interest expenses	18	41
Exchange rate losses	1 516	905
Total financial expenses	1 534	946

9. Intangible and tangible assets

Fixed assets consist of intangible and tangible assets. Intangible assets comprise mainly goodwill, development expenses, intangible rights, and other capitalized long-term expenses, and are measured at historical cost less accumulated amortization and impairment losses, if any. Tangible assets comprise machinery and equipment and are measured at historical cost, less accumulated depreciation, and impairment losses, if any. Subsequent improvement costs related to an asset are included in the carrying value of such an asset or recognized as a separate asset, as appropriate, only when the future economic benefits associated with the costs are probable, and the related costs can be separated from normal maintenance costs.

Depreciation of tangible assets and amortization of intangible assets with a definite useful life is calculated on a straight-line basis over the expected economic life of the assets, being the following:

Machinery and equipment	3-5 years
Capitalized development expenses	3-10 years
Intangible rights	3-5 years
Other capitalized long-term expenses	3-5 years
Goodwill	10 years

Expected economic life of 10 for goodwill is estimated based on customer life cycle expectancy. The Group estimates that future economic benefits attributable to the software to which the capitalized development expenses relate exceed their carrying amount. Ongoing development activities focus on adding new features to existing products as well as on the localisation of the products for new market entry.

Intangible Assets	Development expenses	Intangible rights	Other capitalized long-term expenses	Goodwill	Total
Acquisition value 1.1.	9 402	559	151	47 121	57 233
Acquisition of EasyPractice A/S	-	-	-	14 942	14 942
Acquisition of Vetera GmbH	-	1 414	-	8 021	9 435
Acquisition of Yoma consulting	-	-	-	294	294
FX Rate movements	(226)	(32)	(4)	(2 307)	(2 569)
Increases	5 865	339	2	-	6 205
Deductions	-	-	-	-	-
Acquisition value 31.12.	15 041	2 280	149	68 071	85 541
Amortization 1.1.	(5 065)	(340)	(84)	(4 119)	(9 608)
Acquisition of EasyPractice A/S	-	-	-	(1 370)	(1 370)
Acquisition of Vetera GmbH	-	-	-	(468)	(468)
Acquisition of Yoma consulting	-	-	-	-	-
FX Rate movements	210	21	1	174	406
Amortization	(1 683)	(184)	(34)	(4 475)	(6 376)
Amortization 31.12.	(6 537)	(503)	(117)	(10 258)	(17 415)
Net book value	8 504	1 777	32	57 813	68 126

Management exercises judgment in determining whether the incurred development expenses meet capitalization criteria and whether the carrying amount of capitalized development exceeds the expected future cash flows of the software they relate to.

In 2022, development expenses totalling EUR 5,865 (3,035) thousand have been capitalized. In 2022, personnel expenses totalling EUR 3,886 (2,516) thousand have been capitalized as development cost. 66 (83) % of the capitalized development costs in total have been internally developed.

Development costs totalling EUR 7,349 (3,223) thousand have been expensed through profit and loss.

Tangible assets	Machinery and equipment	Other tangible assets	Total
Acquisition value 1.1.	2 667	9	2 676
Acquisition of EasyPractice A/S	3	-	3
Acquisition of Vetera GmbH	60	-	60
FX Rate movements	(69)	(0)	(69)
Increases	399	-	399
Deductions	(210)	-	(210)
Acquisition value 31.12.	2 850	8	2 858
Depreciation 1.1.	(1 910)	-	(1 910)
FX Rate movements	94	-	94
Depreciation	(309)	-	(309)
Amortization 31.12.	(2 126)	-	(2 126)
Net book value	725	8	733

Investments	Other shares	Total
Acquisition value 1.1.	191	191
Acquisition of Vetera GmbH*	643	643
Acquisition value 31.12.	834	834
Net book value	834	834

*) Minority shares in PetLeo GmbH

Goodwill impairment testing

Goodwill represents the part of the acquisition cost exceeding the Group's share of the fair value of the acquired company's net assets at the time of acquisition. Goodwill is measured at original acquisition cost less amortization and impairment. Goodwill is tested if an indication for an impairment exists.

The need for impairment is reviewed at the level of cash-generating units (CGU) expected to benefit from the synergies of the acquisition. Monitoring and testing of goodwill mirror the way that management follows operations. The carrying amount of a CGU and the assets allocated to it are compared with the recoverable amount of the GCU determined based on a value in use calculation. If the recoverable amount is lower than the asset's carrying amount, impairment is recognised as an expense in the income statement. The value in use is determined as the current value of future cash flows.

Impairment losses recognised for goodwill cannot be reversed.

Carrying amounts of goodwill have been allocated to cash-generating units as shown in the table below as at 31 December 2022:

	2022	2021
Therapy	46 197	38 674
Veterinary	11 173	4 327
Total	57 370	43 002

Goodwill within the Therapy cash-generating unit has been recognised in connection with the acquisition of EasyPractice ApS (EUR 14,931 thousand) in 2022 and Aspit AS (EUR 40,080 thousand) in 2021. Goodwill within the Veterinary cash-generating unit was recognised in connection with the acquisition of Nordgealth Germany GmbH EUR 1,128 thousand, Novasoft A/S EUR 848 thousand in 2021 and Vetserve and Sanimalis in 2019. See Note 14 for acquisitions completed in 2022 and 2021.

Impairment testing

Based on an analysis of potential impairment indicators, the Group did not perform a testing of goodwill impairment in 2022.

In 2021, the future cash flow estimates used for impairment testing are based on CGU-specific financial plans for the next three years approved by management. The growth expectation used does not exceed the average long-term growth in the industry. The calculations are affected by the following assumptions:

Forecast net sales: The assumptions are based on a view of estimated future growth and price trend in the market and an estimate of the Group's market share. The assumptions made by management are based on prior experience of business development, the current markets and market share and previous trends, and external appraisals of the outlook for the industry. The average annual growth in net sales used in the calculations was 12.0 % for the 3-year forecast

period. A growth expectation of 2.0 % was used to estimate cash flows after the forecasting period.

Development of personnel expenses and other expenses: The assumptions made by management are based on prior experience of personnel cost developments, known salary increase agreements, and the general view of the development of personnel costs.

The discount rate used is the weighted average cost of capital before taxes (WACC). The risk-free interest rate, risk factor (beta), and risk premium parameters used to determine the discount rate are based on market information. The average rate used for the calculations before taxes was 9.6%.

The discount rate used for the calculations was based on the weighted average cost of capital (WACC), applied in the currency area in which the CGU is considered to be located. The WACC reflects the market's perception of the time value of money and the risks associated with Nordhealth's business.

No impairment losses were recognised in 2021 on the basis of impairment testing. Nordhealth's management has assessed that no reasonably possible change in any of the key assumptions would cause any of the CGU's carrying amount to exceed its recoverable amount.

10. Trade Debtors

Receivables to be repaid within one year are classified as current assets.

	2022	2021
Trade debtors at nominal value	4 176	2 468
Credit loss provision	(141)	(35)
Trade debtors in the balance sheet	4 035	2 433

11. Prepayments

	2022	2021
Prepayments to vendors	793	650
Total	793	650

12. Cash, Cash equivalents and Money market fund

In August 2021 Nordhealth transferred EUR 46,515 thousand of cash to fully liquid money market funds with the aim to minimize negative interests and bank solvency risk. Investment is fully liquid and incurs no fees for liquidation. Current value of the investment on 31 December 2022, was EUR 23,684 (46,458) thousand. Restricted cash amounting to EUR 737 (455) thousand from employee tax withholding.

	2022	2021
Money market funds	23 684	46 458
Cash in hand and at banks	15 514	26 210
Total	39 198	72 668

13. Investments in group companies

Companies included in Nordhealth Group

	Parent Company	Business office	Ownership %	Functional currency
Nordhealth AS		Oslo, Norway		NOK
Nordhealth Oy	Nordhealth AS	Helsinki, Finland	100 %	EUR
Nordhealth Norway AS	Nordhealth Oy	Molde, Norway	100 %	NOK
Nordhealth Sweden AB	Nordhealth Norway AS	Västerås, Sweden	100 %	SEK
Nordhealth Denmark AS	Nordhealth Norway AS	Hinnerup, Denmark	100 %	DKK
Nordhealth Finland Oy	Nordhealth Oy	Helsinki, Finland	100 %	EUR
Navire Oy	Nordhealth Oy	Oulu, Finland	100 %	EUR
Estonian Net Solutions OÜ	Nordhealth Oy	Tallinn, Estonia	100 %	EUR
Nordhealth USA Inc.	Nordhealth Oy	Denver, USA	100 %	USD
Provet Cloud (UK)	Nordhealth Oy	London, United Kingdom	100 %	GBP
Aspit AS	Nordhealth Oy	Seljord, Norway	100 %	NOK
Aspit Sverige AB	Aspit AS	Gråbo, Sweden	100 %	SEK
EasyPractice ApS	Nordhealth Oy	Copenhagen, Denmark	100 %	DKK
Nordhealth Spain SL	Nordhealth Oy	Barcelona, Spain	100 %	EUR
Nordhealth Italy S.R.L.	Nordhealth Oy	Milan, Italy	100 %	EUR
Vetera GmbH	Nordhealth Germany GmbH	Eltville, Germany	100 %	EUR
Nordhealth Germany GmbH	Nordhealth Oy	Munich, Germany	100 %	EUR

Nordhealth Denmark AS (former Novasoft) was acquired on 1 April 2021 (Note 14).

Aspit AS and Aspit Sverige AB was acquired on 1 June 2021 (Note 14).

Provet Cloud UK was established on 1 August 2021.

EasyPractice ApS was acquired on 31 January 2022 (Note 14).

Vetera GmbH and its parent company Nordhealth Germany GmbH were acquired on 1 June 2022 (Note 14).

Nordhealth Spain SL was established on 1 January 2022.

Nordhealth Italy S.R.L. was established on 6 May 2022.

14. Acquisitions

On 31 January 2022, Nordhealth completed its acquisition of EasyPractice, a leading cloud-based practice management software provider for therapists. On 10 March 2022, Nordhealth announced the acquisition of Vetera, a leading veterinary practice management software provider in the DACH region. The acquisition was completed on 1 June 2022. The companies have been consolidated into Nordhealth Group from the date of closing.

Had the acquisitions taken place at the beginning of 2022, the Group's pro-forma revenues for the year 2022 would have been EUR 32,208 thousand.

Consideration paid for the acquisitions	2022
Paid in cash	18 293
Contribution in kind	554
Contingent consideration	4 031
Total	22 878

The following assets and liabilities were recognized as a result of the acquisitions:

Investments	643
Intangible assets	1 020
Tangible assets	63
Non-current financial assets	64
Current assets	457
Cash balance	835
Non-current liabilities	(1 008)
Current liabilities	(2 149)
Goodwill	22 953
Total	22 878

The contingent consideration relates to EasyPractice acquisition. The earn-out performance period was financial year 2022 and the key performance criteria included annual recurring revenue (ARR) and customer count targets as well as customer churn. The performance criteria for 2022 was met and the contingent consideration was paid during the first quarter of 2023.

On 1 April 2021, the Group completed the acquisition of Novasoft A/S. Novasoft A/S is a SaaS based practice management software for veterinaries in Denmark. On 1 June 2021, Nordhealth completed the acquisition of Aspit AS. Aspit AS is a leading supplier of electronic patient record systems (EHR) and IT operations to the healthcare sector in Norway. The companies have been consolidated into Nordhealth Group from the date of closing.

Had the acquisitions taken place at the beginning of 2021, the Group's pro-forma revenues for the year 2021 would have been EUR 23,874 thousand.

Consideration paid for the acquisitions	2021
Paid in cash	41 274
Transferred liabilities	269
Total	41 543

The following assets and liabilities were recognized as a result of the acquisitions:

Tangible assets	503
Non-current financial assets	221
Current assets	1 862
Cash balance	622
Current liabilities	(2 592)
Goodwill	40 927
Total	41 543

15. Equity and shares

Statement of changes in equity

Intangible Assets	Share capital	Share premium	Translation reserve	Retained earnings	Total Equity
Equity 1.1.2021	3	384	(76)	4 643	4 954
Dividends paid	-	-	-	(3 731)	(3 731)
Profit (loss) for the period	-	-	-	(4 731)	(4 731)
Translation reserve	-	-	1 686	-	1 686
Elimination of Nordhealth Oy	(3)	(384)	-	-	(387)
Capital increase in initial public offering	7 829	112 307	-	-	120 136
Cost related to IPO*	-	(3 421)	-	-	(3 421)
Total Equity 31.12.2021	7 829	108 886	1 610	(3 819)	114 506
Equity 1.1.2022	7 829	108 886	1 610	(3 819)	114 506
Profit (loss) for the period	-	-	-	(14 264)	(14 264)
Increase of share capital	19	514	-	-	533
Translation reserve	-	-	(2 144)	-	(2 144)
Total Equity 31.12.2022	7 848	109 400	(535)	(18 083)	98 630

* Costs include financial and legal assistance in carrying out activities related to transactions structure, market valuation, listing and other similar assistance.

On 17 February 2022, Extraordinary General Meeting of Nordhealth AS was held. In this meeting, Board of Directors was granted an authorisation to increase the share capital by issuance of new shares and an authorisation to acquire own shares. In accordance with Section 9-4 of the Companies Act, the board is granted an authorisation to acquire own shares on behalf of the Company with a total nominal value of up to NOK 7,999,999, i.e., up to 7,999,999 shares. The maximum amount which can be paid for each share is NOK 50 and the minimum is NOK 1. The authorisation was valid until the Annual General Meeting in 2022, held on 2 June.

On 6 April 2022, it was resolved by the Board of Directors to increase share capital by NOK 191,747, divided into 191,747 Class A shares, each with nominal value of NOK 1.00. Following registration of the share capital increase on 4 May 2022, the Company has a share capital of NOK 80,191,746, divided into 45,191,747 Class A shares and 34,999,999 Class B shares, each with nominal value of NOK 1.00. The Company's shares are divided into two share classes.

Only the A-shares are subject to trading in the Euronext Growth Marketplace. A-shares carry one vote and equal rights in all respects, including rights to dividends. All A-shares are freely transferable. B-shares are unlisted shares. Each B- share carries 10 votes per share and may at any

time, at the option of the holder, be converted into an A-share. If the Unlisted Shares constitute less than 5% of the outstanding number of shares in the Company, they will automatically be converted to A-shares.

On 2 June 2022, Annual General Meeting of Nordhealth AS was held. In this meeting, Board of Directors was granted an authorisation to increase the share capital by issuance of new shares and an authorisation to acquire own shares. In accordance with Section 9-4 of the Companies Act, the board is granted an authorisation to acquire own shares on behalf of the Company with a total nominal value of up to NOK 8,019,174.60 i.e., up to 8,019,174 shares by issuance of new shares and to acquire treasury shares for an amount of up to NOK 12,028,761.90 i.e., up to 12,028,761 shares. The maximum amount which can be paid for each share is NOK 50 and the minimum is NOK 1. These authorizations replaced the previous authorizations issued at the EGM held on 17 February 2022.

Investors

Investor	A-shares	B-shares	Number of total shares	% of total	Type	Country
J.P. Morgan SE	4 956 027	29 742 998	34 699 025	43 %	Nominee	Luxembourg
State Street Bank and Trust Comp	6 479 310	0	6 479 310	8 %	Nominee	US
Nordnet Bank AB	965 321	5 084 866	6 050 187	8 %	Nominee	Sweden
FJARDE AP-FONDEN	3 500 000	0	3 500 000	4 %	Ordinary	Luxembourg
Goldman Sachs & Co. LLC	3 343 148	0	3 343 148	4 %	Nominee	US
GOLDMAN SACHS BANK EUROPE SE	3 290 000	0	3 290 000	4 %	Nominee	Germany
SKANDINAVISKA ENSKILDA BANKEN AB	1 918 539	0	1 918 539	2 %	Nominee	Luxembourg
Avanza Bank AB	1 813 287	0	1 813 287	2 %	Nominee	Sweden
Skandinaviska Enskilda Banken AB	1 588 236	0	1 588 236	2 %	Nominee	Luxembourg
Morgan Stanley & Co. Int. Plc.	1 485 717	0	1 485 717	2 %	Nominee	UK
Total number owned by top 10	29 339 585	34 827 864	64 167 449	80 %		
Total number of shares	45 191 747	34 999 999	80 191 746	100 %		

Shares owned by the CEO and the Board of Directors

Name	Role	A-shares	B-shares
Didier Breton	Chairperson	100 000	0
Janne Huttunen	Board Member	453 757	2 723 175
Olli Venemies	Board Member	120 468	722 967
Javier Mata	Board Member	0	0
Charles MacBain*	CEO	7 618 817	20 856 246

* The CEO has acquired 4,185,746 A shares and Three Plus Group S.A. exchanged 51,640 A Shares for 51,640 B Shares in the Company in Q1 2023. The total shares owned directly by the CEO as of the date of issuance of these financial statements is 4,185,746 A shares. In addition, the CEO holds 4,904,387 A shares and 29,794,638 B shares indirectly, through Three Plus Group S.A., a company where he has 70% ownership and his family 30% ownership. Overall, the CEO owns 35.51% and the CEO and his family own 48.49% of Nordhealth outstanding shares respectively.

On 6 April 2022, it was resolved by the Board of Directors to increase share capital by NOK 191,747 divided into 191,747 Class A shares, each with nominal value of NOK 1.00. As at 31 December 2022 the Nordhealth AS had a total of 80,191,746 shares outstanding. The Company's shares are divided into two share classes as further detailed below. Only the A-shares are subject to trading in the Euronext Growth Marketplace.

A-shares comprise a total of 45,191,747 shares and carry one vote and equal rights in all respects, including rights to dividends. All A-shares are freely transferable. B-shares comprise a total of 34,999,999 shares and are unlisted shares. Each B-share carries 10 votes per share and may at any time, at the option of the holder, be converted into an A-share. If the Unlisted Shares constitute less than 5% of the outstanding number of shares in the Company, they will automatically be converted to A-shares. Each share has a nominal value of NOK 1.00.

On 2 June 2022, Annual General Meeting of Nordhealth AS granted the Board of Directors an authorisation to increase the share capital by issuance of new shares and an authorisation to acquire own shares. In accordance with Section 9-4 of the Companies Act, the board is granted an authorisation to acquire own shares on behalf of the Company with a total nominal value of up to NOK 8,019,174.60 i.e., up to 8,019,174 shares by issuance of new shares and to acquire treasury shares for an amount of up to NOK 12,028,761.90 i.e., up to 12,028,761 shares. The maximum amount which can be paid for each share is NOK 50 and the minimum is NOK 1.

16. Other non-current liabilities

	2022	2021
Other non-current liabilities	270	775
Total	270	775

All other non-current liabilities fall due within less than five years.

Other non-current liabilities at the end of 2022 consist of an earn-out debt relating to Novasoft acquisition amounting to EUR 269 thousand.

17. Other current liabilities

	2022	2021
Other non-current liabilities	5 833	1 662
Total	5 833	1 662

Other current liabilities at the end of 2022 mainly comprise of an earn-out debt relating to EasyPractice acquisition amounting to EUR 4,034 thousand.

18. Significant events after the reporting period

There have been no significant events after the reporting period.

Key definitions

Alternative performance measures

To enhance the understanding of Nordhealth's performance, Nordhealth presents certain measures and ratios considered as Alternative Performance Measures (APMs) as defined by the European Securities and Markets Authority and should not be viewed as a substitute for any financial measures (IFRS or other legislation). The APMs include, but not limited to, Annual Recurring Revenue (ARR), organic revenue, adjusted revenue, recurring revenue, adjusted recurring revenue, EBITDA, and adjusted EBITDA. These APMs are presented as Nordhealth considers them to be important supplemental measures to understand the overall picture of revenue and profit generation in Nordhealth's operating activities.

ARR

ARR is the value of recurring revenue of software subscriptions that has been normalized for a single calendar year. These include all active subscriptions and subscriptions that have been signed but not yet implemented. ARR also includes the annualized value of volume-based transactions (e.g., SMS messages) based on their latest calculation period value as well as rebates from third parties (e.g., payment solution providers).

Adjusted EBITDA

Adjusted EBITDA is revenue less all operating expenses excluding depreciation and amortization, M&A and equity funding transactions, other similar non-recurring items, and changes in contingent consideration.

Financial Statements

Nordhealth AS



Income Statement Nordhealth AS

NOK in thousands	Note	2022	2021
Other operating income		0	0
Total operating income		0	0
Personnel expenses	5	(2 201)	-
Other operating charges	6	(7 804)	(15 650)
Total operating expenses		(10 006)	(15 650)
Operating profit (loss) (EBITDA)		(10 006)	(15 650)
Depreciation and amortization		-	-
Operating profit (EBIT)			(15 650)
Interest income from group companies		-	8 358
Other financial items	7	270	(15 874)
Profit (loss) before tax		(9 736)	(23 167)
Taxes	13	-	-
Net profit (loss)	10	(9 736)	(23 167)



Balance Sheet Nordhealth AS

ASSETS

NOK in thousands	Note	2022	2021
Financial assets			
Investments in group companies	8	3 168 763	3 168 763
Total financial assets		3 168 763	3 168 763
Total non-current assets		3 168 763	3 168 763
Other receivable from group companies		-	7 879
Prepayments and accrued income		338	278
Total receivables		338	8 157
Cash at bank and in hand		1 477	3 018
Total cash at bank and in hand		1 477	3 018
Total current assets		1 815	11 175
Total assets		3 170 578	3 179 938

EQUITY AND LIABILITIES

NOK in thousands	Note	2022	2021
Paid-in Equity			
Share capital	9	80 192	80 000
Share premium reserve	9	3 120 327	3 115 077
Total paid-in equity		3 200 518	3 195 077
Retained earnings			
Other equity	9	(32 903)	(23 167)
Total retained earnings		(32 903)	(23 167)
Total equity	9	3 167 616	3 171 910
Liabilities			
Accounts payable		13	4
Accounts payable to group companies	10	918	4 654
Accrued expenses to group companies	11	1 134	3 190
Other liabilities		40	-
Accrued expenses and deferred income		858	180
Total current liabilities		2 962	8 028
Total equity and liabilities		3 170 578	3 179 938

The Board of Directors of Nordhealth AS, Oslo 13 April 2023

Charles MacBain
CEO

Didier Breton
Chairman of the Board

Olli Venemies
Board Member

Janne Huttunen
Board Member

Javier Mata
Board Member

CASH FLOW STATEMENT NORDHEALTH AS

NOK in thousands	2022	2021
Cash flow from operations		
Profit (loss) before income taxes	(9 736)	(8 280)
Other non-cash items	572	-
Change in other receivables	7 879	(7 879)
Change in trade creditors (AP)	1 715	4 658
Change in other accruals	(1 971)	3 093
Net cash flow from operations	(1 541)	(8 407)
Cash flow from financing		
Initial public offering	-	1 188 620
Proceeds from issuance of equity	-	60
Cash flow from financing	-	1 188 680
Cash flow from investing items		
Loans to group companies*	-	(1 177 254)
Cash flow from investing items	-	(1 177 254)
Net change in cash and cash equivalents	(1 541)	3 018
Cash and cash equivalents at the beginning of the period	3 018	-
Cash and cash equivalents at the end of the period	1 477	3 018

1. Reporting entity

Nordhealth AS is a company registered in Norway and traded on the Euronext Growth Oslo. The Company's registered business address is Strandveien 50, 1366 Lysaker, Oslo, Norway.

Nordhealth AS was incorporated on 6 April 2021 and consequently hasn't published any financial statements prior to 2021.

However, the Company is a holding company which owns 100% of the shares in Nordhealth Oy, the former parent company of the Group, incorporated on 14 January 2008. The Company became the new parent company of the Group following completion of the Pre-Admission Reorganisation, completed on 18 May 2021.

2. Basis of presentation

The financial statements of Nordhealth AS are prepared in compliance with the Norwegian accounting act and generally accepted accounting principles in Norway.

The functional currency of Nordhealth AS is Norwegian krone (NOK). Nordhealth AS financial statements are presented in thousands of NOK.

3. Accounting principles

Subsidiaries

Subsidiaries are initially recognised at acquisition cost plus direct costs related to the acquisition. Shares in subsidiaries are measured at original acquisition cost less impairment. Write-down to fair value is carried out if the impairment in value is caused by circumstances which may not be regarded as temporary and deemed necessary by generally accepted accounting principles. Impairments are reversed when the basis for the impairment no longer exists.

Dividends and other distributions are recognised as income in the same year that they are proposed in the subsidiary. If the dividend exceeds the share of retained earnings after the acquisition, the excess share is deemed to represent repayment of the invested capital, and the distributions are deducted from the value of the investment in the balance sheet.

Currency Translation

Transactions of the Company are mainly generated in the local currency. Transaction risk arises from transactions and payments in currencies other than the Company's functional currency, and when the related cash inflows and outflows differ in amount or timing. Transactions in foreign

currencies are translated into the Company's functional currency at the rate of exchange prevailing at the date of the transaction. Exchange rate gains and losses from operations are included in financial income and expenses in the statement of income. The unsettled balances on foreign currency receivables and liabilities are valued at the rates of exchange prevailing at the end of the accounting period.

Cost of issuing equity

Material transaction costs directly related to an equity transaction is recorded as a deduction from other paid-in equity. This applies to issuance of shares and results as an increase or decrease of equity.

Cost related to investor relations and stock exchange transactions are booked as other operating expenses.

Cash flow

The cash flow statement has been prepared following the indirect method. Cash and cash equivalents include cash, bank deposits, and other short-term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.

Use of estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the measurement of the reported assets and liabilities and other information. The estimates are based on prior experience and assumptions concerning the future deemed most likely on the balance sheet date. Any changes in the estimates and assumptions are entered in accounting in the period during which the estimates and assumptions are adjusted, as well as in all subsequent periods. Although these estimates and assumptions are based on the management's best knowledge of current events and actions, actual results may differ from the estimates used in the preparation of financial statements.

Classification of assets and liabilities

Non-current assets consist of tangible and intangible assets and financial assets which mature in more than 12 months. Current financial assets include trade receivables and other receivables and other financial assets which mature in less than 12 months.

Financial liabilities are classified as non-current liabilities if they mature in more than 12 months. Liabilities maturing in less than 12 months are classified as current.

Valuation of financial assets and liabilities

At initial recognition financial assets and liabilities are measured at cost. Permanent changes in fair value of financial assets and liabilities are recognised through profit or loss.

Tax

Income taxes are recognised in accordance with Norwegian tax legislation. Tax expenses in the income statement comprise of tax based on taxable income together with changes in deferred taxes.

Deferred taxes are calculated on all temporary differences between the carrying amount and tax value. Temporary differences arise from sources such as fair value measurement of financial assets and differences between taxable values and carrying amounts on fixed assets. Deferred tax is not recognized for non-deductible impairment of goodwill or undistributed earnings of subsidiaries to the extent that it is probable that the difference will not be realized in the foreseeable future. Deferred taxes have been calculated using the tax rates enacted or tax rates of which confirmed content has been published by the closing date. Deferred tax assets are recognized for tax losses carried forward and other temporary differences to the extent that corresponding taxable profits are likely to be generated in the future periods. Management estimates the amount of deferred tax assets and the probability of utilization on each balance sheet date. Deferred tax assets and liabilities are offset if the Company has a legally enforceable right to offset the tax assets and liabilities based on the period's taxable income, and the deferred tax assets and liabilities relate to income taxes within the same tax jurisdiction. Deferred tax assets and liabilities are presented on the balance sheet as separate items included in non-current assets or liabilities.

4. Significant events during the accounting period

On 6 April 2022, it was resolved by the Board of Directors to increase share capital by NOK 191,747, divided into 191,747 Class A shares, each with nominal value of NOK 1.00. Following registration of the share capital increase on 4 May 2022, the Company has a share capital of NOK 80,191,746, divided into 45,191,747 Class A shares and 34,999,999 Class B shares, each with nominal value of NOK 1.00.

5. Personnel expenses

	2022	2021
Board remuneration	1 929	-
Social security expenses	272	-
Total	2 201	-

Group CEO's salary is paid from a subsidiary.

6. Other operating expense

	2022	2021
Administrative services from group companies	4 478	3 190
Legal services	9	1 257
Other administrative services	390	4 654
Auditors' fees	750	424
Insurances	747	409
Other operative costs	1 430	5 716
Total*	7 804	15 650

* Non-Recurring items from IPO and group reorganization amounted to NOK 10,129 thousand in 2021.

AUDITING SERVICES

	2022	2021
Audit	211	224
Technical accounting and tax counseling	539	200
Other services	-	-
Total	750	424

2021 amounts including VAT.

7. Financial items

	2022	2021
Exchange rate gains	1 214	-
Total financial income	1 214	-
Other financial expenses	1	19
Exchange rate losses	943	15 855
Total financial expenses	944	15 874

8. Investments in group companies

	Location	Ownership %	Functional currency	Investment	Net result	Equity
Nordhealth Oy	Helsinki, Finland	100%	EUR	3 168 763	(3 264)	1 211 058
Total				3 168 763	(3 264)	1 211 058

	Parent Company	Business office	Ownership %	Functional currency
Nordhealth AS		Oslo, Norway		NOK
Nordhealth Oy	Nordhealth AS	Helsinki, Finland	100 %	EUR
Nordhealth Norway AS	Nordhealth Oy	Molde, Norway	100 %	NOK
Nordhealth Sweden AB	Nordhealth Norway AS	Västerås, Sweden	100 %	SEK
Nordhealth Denmark AS	Nordhealth Norway AS	Hinnerup, Denmark	100 %	DKK
Nordhealth Finland Oy	Nordhealth Oy	Helsinki, Finland	100 %	EUR
Navicre Oy	Nordhealth Oy	Oulu, Finland	100 %	EUR
Estonian Net Solutions OÜ	Nordhealth Oy	Tallinn, Estonia	100 %	EUR
Nordhealth USA Inc.	Nordhealth Oy	Denver, USA	100 %	USD
Provet Cloud (UK)	Nordhealth Oy	London, United Kingdom	100 %	GBP
Aspit AS	Nordhealth Oy	Seljord, Norway	100 %	NOK
Aspit Sverige AB	Aspit AS	Gråbo, Sweden	100 %	SEK
EasyPractice ApS	Nordhealth Oy	Copenhagen, Denmark	100 %	DKK
Nordhealth Spain SL	Nordhealth Oy	Barcelona, Spain	100 %	EUR
Nordhealth Italy S.R.L.	Nordhealth Oy	Milan, Italy	100 %	EUR
Vetera GmbH	Nordhealth Germany GmbH	Eltville, Germany	100 %	EUR
Nordhealth Germany GmbH	Nordhealth Oy	Munich, Germany	100 %	EUR

Nordhealth Denmark AS (former Novasoft) was acquired on 1 April 2021 (Note 14).

Aspit AS and Aspit Sverige AB were acquired on 1 June 2021 (Note 14).

Provet Cloud UK was established on 1 August 2021.

EasyPractice ApS was acquired on 31 January 2022 (Note 14).

Vetera GmbH and its parent company Nordhealth Germany GmbH were acquired on 1 June 2022 (Note 14).

Nordhealth Spain SL was established on 1 January 2022.

Nordhealth Italy S.R.L. was established on 6 May 2022.

Impairment testing

Nordhealth market capitalization as at 31 December 2022 was NOK 1,780,257 thousand. Shares in subsidiaries on the Company's balance sheet as at 31 December amounted to NOK 3,168,763 thousand. The Company has prepared an assessment of future cash flow estimates used for impairment testing which are based on financial plans for the next three years approved by management. As a growth SaaS company, the management has forecasted in addition a seven year plan based on past, current and budgeted forecasted growth rates and cost estimates. The calculations are affected by the following assumptions:

Forecast net sales: The assumptions are based on a view of estimated future growth and price trend in the market and an estimate of the Group's market share. The assumptions made by management are based on prior experience of business development, the current markets and market share and previous trends, and external appraisals of the outlook for the industry. The average annual growth in net sales used in the calculations was 16 % for the 10-year forecast period. A growth expectation of 2.0 % was used to estimate cash flows after the forecasting period.

Development of personnel expenses and other expenses: The assumptions made by management are based on prior experience of personnel cost developments, known salary increase agreements, and the general view of the development of personnel costs.

The discount rate used is the weighted average cost of capital before taxes (WACC). The risk-free interest rate, risk factor (beta), and risk premium parameters used to determine the discount rate are based on market information. The average rate used for the calculations before taxes was 8.9%.

No impairment loss was recognised in 2022 on the basis of impairment testing. Nordhealth's management has assessed that no reasonably possible change in any of the key assumptions would cause the carrying amount of shares in subsidiaries to exceed the recoverable amount.

9. Equity and shares

Investor	A-shares	B-shares	Number of total shares	% of total	Type	Country
J.P. Morgan SE	4 956 027	29 742 998	34 699 025	43 %	Nominee	Luxembourg
State Street Bank and Trust Comp	6 479 310	0	6 479 310	8 %	Nominee	US
Nordnet Bank AB	965 321	5 084 866	6 050 187	8 %	Nominee	Sweden
FJARDE AP-FONDEN	3 500 000	0	3 500 000	4 %	Ordinary	Luxembourg
Goldman Sachs & Co. LLC	3 343 148	0	3 343 148	4 %	Nominee	US
GOLDMAN SACHS BANK EUROPE SE	3 290 000	0	3 290 000	4 %	Nominee	Germany
SKANDINAVISKA ENSKILDA BANKEN AB	1 918 539	0	1 918 539	2 %	Nominee	Luxembourg
Avanza Bank AB	1 813 287	0	1 813 287	2 %	Nominee	Sweden
Skandinaviska Enskilda Banken AB	1 588 236	0	1 588 236	2 %	Nominee	Luxembourg
Morgan Stanley & Co. Int. Plc.	1 485 717	0	1 485 717	2 %	Nominee	UK
Total number owned by top 10	29 339 585	34 827 864	64 167 449	80 %		
Total number of shares	45 191 747	34 999 999	80 191 746	100 %		

Shares owned by the CEO and the Board of Directors

Name	Role	A-shares	B-shares
Didier Breton	Chairperson	100 000	0
Janne Huttunen	Board Member	453 757	2 723 175
Olli Venemies	Board Member	120 468	722 967
Javier Mata	Board Member	0	0
Charles MacBain*	CEO	7 618 817	20 856 246

* The CEO has acquired 4,185,746 A shares and Three Plus Group S.A. exchanged 51,640 A Shares for 51,640 B Shares in the Company in Q1 2023. The total shares owned directly by the CEO as of the date of issuance of these financial statements is 4,185,746 A shares. In addition, the CEO holds 4,904,387 A shares and 29,794,638 B shares indirectly, through Three Plus Group S.A., a company where he has 70% ownership and his family 30% ownership. Overall, the CEO owns 35.51% and the CEO and his family own 48.49% of Nordhealth outstanding shares respectively.

10. Equity and shares of Nordhealth AS

	Share capital	Share premium	Retained earnings	Total Equity
Equity 1.1.2021	-	-	-	-
Company establishment	30	30	-	60
Capital increase from re-organisation	49 970	1 956 427	-	2 006 397
Capital increase from IPO*	30 000	1 193 580	-	1 223 580
Costs related to IPO*	-	(34 960)	-	(34 960)
Profit (loss) for the period	-	-	(23 167)	(23 167)
Total Equity 31.12.2021	80 000	3 115 077	(23 167)	3 171 910
Equity 1.1.2022	80 000	3 115 077	(23 167)	3 171 910
Increase of share capital	192	5 250	-	5 442
Profit (loss) for the period	-	-	(9 736)	(9 736)
Total Equity 31.12.2022	80 192	3 120 327	(32 903)	3 167 616

* Costs include financial and legal assistance in carrying out activities related to transactions structure, market valuation, listing and other similar assistance.

On 6 April 2022, it was resolved by the Board of Directors to increase share capital by NOK 191,747 divided into 191,747 Class A shares, each with nominal value of NOK 1.00. As at 31 December 2022 the Nordhealth AS had a total of 80,191,746 shares outstanding. The Company's shares are divided into two share classes as further detailed below. Only the A-shares are subject to trading in the Euronext Growth Marketplace.

A-shares comprise a total of 45,191,747 shares and carry one vote and equal rights in all respects, including rights to dividends. All A-shares are freely transferable. B-shares comprise a total of 34,999,999 shares and are unlisted shares. Each B-share carries 10 votes per share and may at any time, at the option of the holder, be converted into an A-share. If the Unlisted Shares constitute less than 5% of the outstanding number of shares in the Company, they will automatically be converted to A-shares.

On 2 June 2022, Annual General Meeting of Nordhealth AS granted the Board of Directors an authorisation to increase the share capital by issuance of new shares and an authorisation to acquire own shares. In accordance with Section 9-4 of the Companies Act, the board is granted an authorisation to acquire own shares on behalf of the Company with a total nominal value of up to NOK 8,019,174.60 i.e., up to 8,019,174 shares by issuance of new shares and to acquire treasury shares for an amount of up to NOK 12,028,761.90 i.e., up to 12,028,761 shares. The maximum amount which can be paid for each share is NOK 50 and the minimum is NOK 1. The authorisations replaced the previous authorisations issued at the EGM held on 17 February 2022.

11. Accounts payable to group companies

	2022	2021
Nordhealth Oy	918	4 654
Total current accounts payables	918	4 654

12. Accrued expenses to group companies

	2022	2021
Nordhealth Oy	-	3 190
Nordhealth Norway AS	1 134	
Total	1 134	3 190

13. Tax

	2022	2021
Profit (loss) before taxes	(9 736)	(23 167)
Permanent differences	-	(30 597)
Tax base	(9 736)	(53 764)

Losses carried forward

Entity	Country	Tax loss carried forward	Tax rate	Deferred tax benefit not capitalized
Nordhealth AS	Norway	(63 500)	22 %	(13 970)
Total		(63 500)		(13 970)

14. Significant events after the reporting period

There have been no significant events after the reporting period.





To the General Meeting of Nordhealth AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Nordhealth AS, which comprise:

- the financial statements of the parent company Nordhealth AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Nordhealth AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty



exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Bergen, 14 April 2023
KPMG AS

Knut Olav Karlsen
State Authorised Public Accountant